

Corporate Governance and Audit Report Lag: The Case of Tunisian Listed Companies

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Abstract : This study examines the Tunisian market in which recent events, notably financial scandals, provide an appropriate framework for studying the impact of corporate governance on the audit report lag. Moreover, very little research has been done to examine this relationship in this context. The objective of this work is, therefore, to understand the factors influencing audit report lag, drawing primarily on agency theory (Jensen and Meckling, 1976), which shows that the characteristics of the board of directors have an impact on the report lag (independence, diligence, and size). In addition, the characteristics of the committee also have an impact on the audit report lag (size, independence, diligence, and expertise). Therefore, our research provides empirical evidence on the impact of governance mechanisms attributes on audit report lag. Using a sample of forty-seven (47) Tunisian companies listed on the Tunis Stock Exchange (BVMT) during the period from 2014 to 2019, and basing on the GMM method of the dynamic panel, multivariate analysis shows that most corporate governance attributes have a significant effect on audit report lag. Specifically, the audit committee diligence and the audit committee expertise have a significant and positive effect on audit report lag. But the diligence of the board has a significant and negative effect on audit report lag. However, this study finds no evidence that the audit committee independence, the size, independence, and diligence of the director's board are associated with the audit report lag. In addition, the results of this study also show that there is a significant effect of some control variables. Finally, we are contributing to this study by using the GMM method of the dynamic panel. We are also using an emerging context that is very poorly developed and exploited by previous studies.

Keywords : governance mechanisms, audit committee, board of directors, audit report lag

Conference Title : ICABEM 2021 : International Conference on Applied Business, Economics and Management

Conference Location : Rome, Italy

Conference Dates : March 04-05, 2021